Regional Research Programme in Energy, Environment and Climate (ARRPEEC) have suggested that hydro power generation is an attractive option to mitigate Green House Gases emission from the power sector.

The Government of India is already giving boost to non-fossil fuel generation. The likely capacity addition through Hydro Power generation in the 10th Five Year Plan and 11th Five Year Plan is 17,311 MW and 19,262 MW respectively. In order to reduce green house gases emission in the Power Sector, the Government is encouraging adoption of clean coal technologies like super critical boilers, IGCC, use of washed coal, etc.; promoting efficient use of energy in industrial, commercial, agricultural & domestic sectors; and giving thrust to efficiency improvement in the thermal power plants through renovation & modernization and losses reduction in transmission and distribution sectors. The Government is also promoting and developing renewal energy sources. These efforts will eventually reduce green house gases emission and also result in conservation of fossil fuel.

**Restoring Fiscal Health of SEB**

4461. SHRI AIMADUDDIN AHMED KAHN (DURRU) : Will the Minister of POWER be pleased to state:

(a) whether Government have evolved a strategy for relieving the heavy liabilities of the State Electricity Boards and help them to restored fiscal health;

(b) if so, the details thereof and the steps taken to implement the same; and

(c) the extent and details of support given to Andhra Pradesh, Maharashtra, Rajasthan and Madhya Pradesh Electricity Boards?

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRIMATI JAYAWANTI MEHTA): (a) Yes, Sir.

The Government recently approved a scheme for one-time settlement of the outstanding dues of State Electricity Boards (SEBs) by scrutinising the outstanding dues as on 30.09.2001 through issue of tax-free bonds by the respective state government through Reserve

Bank of India carrying a coupon rate of 8.5%. The bonds carry a moratorium of 5 years on the repayment of principal with the entire principal repaid between the 6th and 15th years. The scheme is linked to a mechanism that would ensure payment of current dues in future. Among other things, the scheme envisages, for the states participating in the scheme, cash-incentives and assistance through Accelerated Power Development and Reform Programme (APDRP). In cash of defaults, a graded reduction in the supply of power from Central Power Stations and in coal supplies is proposed. If a default by the States participating in the scheme exceed 90 days from the date of billing, the recovery of these dues would be through adjustment against release due to the States form Central resource transfers from the Centre. The scheme was announced on 17.4.2002 and a modified tripartite agreement is to be signed among the Union Government, the State Governments concerned and the Reserve Bank of India. The scheme covers the outstanding dues payable by the SEBs to the National Thermal Power Corporation (NTPC), National-Hydro-electric Power Corporation (NHPC), North Eastern Electric Power Corporation (NEEPCO), Power Grid Corporation of India Ltd. (PGCIL) and Damodar Valley Corporation (DVC) under the Ministry of Power, Coal India Limited (CIL) & its subsidiaries and Neyveli Lignite Corporation (NCL) under the Department of Coal, Nuclear Power Corporation (NPC) under the Department of Atomic Energy and the Ministry of Railways.

(c) the outstanding dues of Andhra Pradesh, Maharashtra, Rajasthan and Madhya Pradesh Electricity Boards as on 30.09.2001, the cut-off date of securitising the outstanding dues, were:

*(Figures in crores of Rupees)*

| Sl. No. | SEBs | Pricipal | Interest/ Surcharge | Toral |
|---|---|---|---|---|
| 1. | Andhra Pradesh | 537.65 | 579.14 | 116.79 |
| 2. | Maharashtra | 1172.81 | 1189.29 | 2362.10 |
| 3. | Rajasthan | 604.53 | 194.92 | 799.45 |
| 4. | Madhya Pradesh | 3103.53 | 1257.83 | 4361.36 |

The SEBs will be entitled for the following support/benefits:

1. Waiver of 60% of the interest/surcharge.
2. Securitisation of the full principal amount and the remaining 40% interest/surcharge with a repayment period spread over 15 years.
3. If the SEBs or their successor entities to not default on their current dues and adhere to the performance milestones, CPSUs shall pay them during the first year starting from 01.10.2001, bi-annual cash incentives equal to 3% of the value of bonds, 2.5% in the second year and 2% in the third and fourth years.
4. If the SEBs open and maintain Letters of Credit before the date to the specified CPSUs shall pay them one-time cash incentive equal to 2% of the value of bonds.
5. State undertaking reforms shall also be assisted through Accelerated Power Development and Reform Programme (APDRP).

**Identifying Transmission Circles as Model Circles**

†4462. SHRI P.K. MAHESHWARI: Will the Minister of POWER be pleased to state:

(a) whether Government have identified certain transmission circles to convert them as model circles;

(b) if so, the details thereof;

(c) whether it is a fact that these circles are where situation is already in very good condition;

(d) if so, whether need of the hour is to identify areas which are not in good conditions;

(e) if so, what are the reasons for not identifying these areas; and

†Original notice of the question was received in Hindi.